

General Assembly

Substitute Bill No. 473

February Session, 2022



AN ACT CONCERNING THE STATE CONTRACTING STANDARDS BOARD.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (Effective from passage) (a) Notwithstanding any
- 2 provision of the general statutes, the appropriations recommended for
- 3 the State Contracting Standards Board shall be the estimates of
- 4 expenditure requirements transmitted to the Secretary of the Office of
- 5 Policy and Management by the executive director of the board and the
- 6 recommended adjustments and revisions of such estimates shall be the
- 7 recommended adjustments and revisions, if any, transmitted by said
- 8 executive director to the Office of Policy and Management.
- 9 (b) Notwithstanding any provision of the general statutes, the
- 10 Governor shall not reduce allotment requisitions or allotments in force
- 11 concerning the State Contracting Standards Board.
- 12 Sec. 2. (Effective July 1, 2022) Not later than September 22, 2022, the
- 13 State Contracting Standards Board shall hire five employees as required
- 14 under subsection (h) of section 4e-2 of the general statutes, as amended
- 15 by this act.
- Sec. 3. Section 4e-1 of the general statutes is repealed and the
- 17 following is substituted in lieu thereof (*Effective July 1, 2022*):

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- For the purposes of [sections 4e-1] <u>this section and sections 4e-2</u> to 4e-47, inclusive, as amended by this act:
- 20 (1) "Best value selection" means a contract selection process in which 21 the award of a contract is based on a combination of quality, timeliness 22 and cost factors;
- 23 (2) "Bid" means an offer, submitted in response to an invitation to bid, 24 to furnish supplies, materials, equipment, construction or contractual 25 services to a [state] contracting agency under prescribed conditions at a 26 stated price;
- 27 (3) "Bidder" means a business submitting a bid in response to an invitation to bid by a [state] contracting agency;
- (4) "Business" means any individual or sole proprietorship, 30 partnership, firm, corporation, trust, limited liability company, limited 31 liability partnership, joint stock company, joint venture, association or 32 other legal entity through which business for profit or not-for-profit is 33 conducted;

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- (5) "Competitive bidding" means the submission of prices by a business competing for a contract to provide supplies, materials, equipment or contractual services to a [state] contracting agency, under a procedure in which the contracting authority does not negotiate prices, as set forth in statutes and regulations concerning procurement;
- (6) "Consultant" means (A) any architect, professional engineer, landscape architect, land surveyor, accountant, interior designer, environmental professional or construction administrator, who is registered or licensed to practice such person's profession in accordance with the applicable provisions of the general statutes, (B) any planner or any environmental, management or financial specialist, or (C) any person who performs professional work in areas including, but not limited to, educational services, medical services, information technology and real estate appraisal;

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- 48 (7) "Consultant services" means those professional services rendered 49 by a consultant and any incidental services that a consultant and those 50 in the consultant's employ are authorized to perform;
- 51 (8) "Contract" [or "state contract"] means an agreement or a 52 combination or series of agreements between a [state] contracting 53 agency [or quasi-public agency] and a business for:
- (A) A project for the construction, reconstruction, alteration, remodeling, repair or demolition of any public building, public work, mass transit, rail station, parking garage, rail track or airport;
- 57 (B) Services, including, but not limited to, consultant and professional services;
- 59 (C) The acquisition or disposition of personal property;
- 60 (D) The provision of goods and services, including, but not limited 61 to, the use of purchase of services contracts and personal service 62 agreements;
- 63 (E) The provision of information technology, state agency 64 information system or telecommunication system facilities, equipment 65 or services;
- 66 (F) A lease; or
- 67 (G) A licensing agreement;
- "Contract" [or "state contract"] does not include a contract between a state agency or a quasi-public agency and a political subdivision of the state;
- 71 (9) "Term contract" means the agreement reached when the [state]
 72 contracting agency accepts a bid or proposal to furnish supplies,
 73 materials, equipment or contractual services at a stated price for a
 74 specific period of time in response to an invitation to bid;
- 75 (10) "Contract risk assessment" means (A) the identification and

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evaluation of loss exposures and risks, including, but not limited to, business and legal risks associated with the contracting process and the contracted goods and services, and (B) the identification, evaluation and implementation of measures available to minimize potential loss exposures and risks;

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- (11) "Contractor" means any business that is awarded, or is a subcontractor under, a contract or an amendment to a contract with a [state] contracting agency under statutes and regulations concerning procurement, including, but not limited to, a small contractor, minority business enterprise, an individual with a disability, as defined in section 4a-60, or an organization providing products and services by persons with disabilities;
- (12) "Contractual services" means the furnishing of labor by a contractor, not involving the delivery of a specific end product other than reports, which are merely incidental to the required performance and includes any and all laundry and cleaning service, pest control service, janitorial service, security service, the rental and repair, or maintenance, of equipment, machinery and other [state-owned] personal property owned by a contracting agency, advertising and photostating, mimeographing, human services and other service arrangements where the services are provided by persons other than state employees or quasi-public agency employees. "Contractual services" includes the design, development and implementation of technology, communications or telecommunications systems or the infrastructure pertaining thereto, including hardware and software and services for which a contractor is conferred a benefit by the [state] contracting agency, whether or not compensated by the [state] services" contracting agency. "Contractual does not include employment agreements or collective bargaining agreements;
- (13) "Data" means recorded information, regardless of form or characteristic;
 - (14) "Vote of two-thirds of the members of the board present and

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- 108 voting" means a vote by the State Contracting Standards Board that is
- agreed upon by two-thirds of the members of the State Contracting
- 110 Standards Board present and voting for a particular purpose and that
- includes the vote of one member of the board appointed by a legislative
- 112 leader;
- 113 (15) "Electronic" means electrical, digital, magnetic, optical,
- 114 electromagnetic, or any other similar technology;
- 115 (16) "Emergency procurement" means procurement by a [state]
- 116 contracting agency, [quasi-public agency, as defined in section 1-120,]
- judicial department or constituent unit of higher education that is made
- 118 necessary by a sudden, unexpected occurrence that poses a clear and
- imminent danger to public safety or requires immediate action to
- prevent or mitigate the loss or impairment of life, health, property or
- 121 essential public services or in response to a court order, settlement
- 122 agreement or other similar legal judgment;
- 123 (17) "Equipment" means personal property of a durable nature that
- retains its identity throughout its useful life;
- 125 (18) "Materials" means items required to perform a function or used
- in a manufacturing process, particularly those incorporated into an end
- 127 product or consumed in its manufacture;
- 128 (19) "Nonprofit agency" means any organization that is not a for-
- 129 profit business under Section 501(c)(3) of the Internal Revenue Code of
- 130 1986, or any subsequent corresponding internal revenue code of the
- 131 United States, as amended from time to time, [amended,] makes no
- distribution to its members, directors or officers and provides services
- contracted for by (A) the state or a quasi-public agency, or (B) a nonstate
- 134 entity;
- 135 (20) "Professional services" means any type of service to the public
- that requires that members of a profession rendering such service obtain
- a license or other legal authorization as a condition precedent to the
- rendition thereof, including, but not limited to, the professional services

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- of architects, professional engineers, or jointly by architects and professional engineers, landscape architects, certified public accountants and public accountants, land surveyors, attorneys-at-law, psychologists, licensed marital and family therapists, licensed
- 143 professional counselors and licensed clinical social workers as well as
- such other professional services described in section 33-182a;

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- 145 (21) "Privatization contract" means an agreement or series of 146 agreements between a [state] contracting agency and a person or entity 147 in which such person or entity agrees to provide services that are 148 substantially similar to and in lieu of services provided, in whole or in 149 part, by state or quasi-public agency employees, other than contracts 150 with a nonprofit agency, which are in effect as of January 1, 2009, and 151 which through a renewal, modification, extension or rebidding of 152 contracts continue to be provided by a nonprofit agency;
 - (22) "Procurement" means contracting for, buying, purchasing, renting, leasing or otherwise acquiring or disposing of, any supplies, services, including, but not limited to, contracts for purchase of services and personal service agreements, interest in real property, or construction, and includes all government functions that relate to such activities, including best value selection and qualification based selection;
- 160 (23) "Proposer" means a business submitting a proposal to a [state] 161 contracting agency in response to a request for proposals or other 162 competitive sealed proposal;
- 163 (24) "Public record" means a public record, as defined in section 1-164 200;
- (25) "Qualification based selection" means a contract selection process
 in which the award of a contract is primarily based on an assessment of
 contractor qualifications and on the negotiation of a fair and reasonable
 price;
- 169 (26) "Regulation" means regulation, as defined in section 4-166;

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(27) "Request for proposals" means all documents, whether attached or incorporated by reference, utilized for soliciting proposals;

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- 172 (28) ["State contracting agency"] "Contracting agency" means any 173 executive branch agency, board, commission, department, office, 174 institution, [or] council or quasi-public agency. ["State contracting 175 agency"] "Contracting agency" does not include the judicial branch, the 176 legislative branch, the offices of the Secretary of the State, the State 177 Comptroller, the Attorney General, the State Treasurer, with respect to 178 their constitutional functions [,] or any state agency with respect to 179 contracts specific to the constitutional and statutory functions of the 180 office of the State Treasurer. For the purposes of section 4e-16, ["state 181 contracting agency" as amended by this act, "contracting agency" 182 includes any constituent unit of the state system of higher education; 183 [and for the purposes of section 4e-19, "state contracting agency" 184 includes the State Education Resource Center, established under section 185 10-4q;]
- 186 (29) "Subcontractor" means a subcontractor of a contractor for work 187 under a contract or an amendment to a contract;
 - (30) "Supplies" means any and all articles of personal property, including, but not limited to, equipment, materials, printing, insurance and leases of real property, excluding land or a permanent interest in land furnished to or used by any [state] contracting agency;
 - (31) "Infrastructure facility" means a building, structure or network of buildings, structures, pipes, controls and equipment that provide transportation, utilities, public education or public safety services. [Infrastructure facility] "Infrastructure facility" includes government office buildings, public schools, jails, water treatment plants, distribution systems and pumping stations, wastewater treatment plants, collections systems and pumping stations, solid waste disposal plants, incinerators, landfills, and related facilities, public roads and streets, highways, public parking facilities, public transportation systems, terminals and rolling stock, rail, air and water port structures,

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- 202 terminals and equipment; [and]
- 203 (32) "State employee" means state employee, as defined in section 5-
- 204 154 and, for purposes of section 4e-16, [state employee] as amended by
- 205 this act, "state employee" includes an employee of any [state] contracting
- agency [.] that is not a quasi-public agency; and
- 207 (33) "Quasi-public agency" has the same meaning as provided in
- 208 section 1-120.
- Sec. 4. Subsections (g) and (h) of section 4e-2 of the general statutes
- are repealed and the following is substituted in lieu thereof (*Effective July*
- 211 1, 2022):
- 212 (g) The board shall appoint a Chief Procurement Officer for a term
- 213 not to exceed six years, unless reappointed pursuant to the provisions
- of this subsection. The Chief Procurement Officer shall report to the
- board and annually be evaluated by, and serve at the pleasure of, the
- 216 board. For administrative purposes only, the Chief Procurement Officer
- shall be supervised by the executive director.
- 218 (1) The Chief Procurement Officer shall be responsible for carrying
- out the policies of the board relating to procurement including, but not
- 220 limited to, oversight, investigation, auditing, agency procurement
- 221 certification and procurement and project management training and
- 222 enforcement of [said] such policies as well as the application of such
- 223 policies to the screening and evaluation of current and prospective
- 224 contractors. The Chief Procurement Officer may enter into such
- 225 contractual agreements as may be necessary for the discharge of the
- duties as set forth in this subsection and by the board, including, but not
- 227 limited to, recommending best practices and providing operational and
- 228 administrative assistance to [state] contracting agencies determined, by
- 229 the board, to be in violation of sections 4e-16 to 4e-47, inclusive, as
- amended by this act.
- 231 (2) In addition to the duties set forth by the board, the Chief
- 232 Procurement Officer shall (A) oversee [state] contracting agency

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233 compliance with the provisions of statutes and regulations concerning 234 procurement; (B) monitor and assess the performance of the 235 procurement duties of each agency procurement officer; (C) administer 236 the certification system and monitor the level of agency compliance with 237 the requirements of statutes and regulations concerning procurement, 238 including, but not limited to, the education and training, performance 239 and qualifications of agency procurement officers; (D) review and 240 monitor the procurement processes of each [state] contracting agency, 241 [quasi-public agencies and] including institutions of higher education; 242 and (E) serve as chairperson of the Contracting Standards Advisory 243 Council and an ex-officio member of the Vendor and Citizen Advisory 244 Panel.

- (h) The board may contract with consultants and professionals on a temporary or project by project basis and [may] shall employ, subject to the provisions of chapter 67, [such] not less than five full-time employees and may employ such additional employees as may be necessary to carry out the provisions of this section.
- Sec. 5. Section 4e-3 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

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- (a) All rights, powers, duties and authority relating to the procurement policies of the state, vested in, or exercised by, any [state] contracting agency may also be exercised by the board, provided such rights, powers, duties and authority may be exercised by the board as provided in this section and sections 4e-4 to 4e-47, inclusive, as amended by this act, and absent any affirmative action by the board, pursuant to said sections, shall not be deemed to limit or restrict the exercise of such rights, powers, duties and authority by any such [state] contracting agency. Such rights, powers, duties and authority shall include the following:
- (1) Acquisition of supplies, services, and construction, and the management, control, warehousing, sale, and disposal of supplies, services, and construction;

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(2) Any state <u>or quasi-public agency</u> contracting and procurement processes, including, but not limited to, leasing and property transfers, purchasing or leasing of supplies, materials or equipment, consultant or consultant services, purchase of service agreements or privatization contracts; and

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- 270 (3) Contracts for the construction, reconstruction, alteration, 271 remodeling, repair or demolition of any public building.
 - (b) Notwithstanding any provision of chapter 14, upon request by the board, each [state] contracting agency, including institutions of higher education, shall provide the board, in a timely manner, with such procurement information as the board deems necessary. The board shall have access to all information, files and records related to any [state] contracting agency in furtherance of the board's duties, as described in this section and sections 4e-4 to 4e-47, inclusive, as amended by this act. Nothing in this section shall be construed to require the board's disclosure of documents that are exempt from disclosure pursuant to chapter 14.
- Sec. 6. Section 4e-4 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1*, 2022):
- Except as otherwise provided in the general statutes, the board shall have the following authority and responsibilities with respect to procurements by [state] contracting agencies:
- [(a)] (1) Recommend the repeal of repetitive, conflicting or obsolete statutes concerning [state] procurement;
- [(b)] (2) Review and make recommendations concerning proposed legislation and regulations concerning procurement, management, control, and disposal of any and all supplies, services, and construction to be procured by [the state] contracting agencies, including, but not limited to:
- [(1)] (A) Conditions and procedures for delegation of procurement

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- 295 authority;
- [(2)] (B) Prequalification, suspension, debarment and reinstatement
- 297 of prospective bidders and contractors;
- 298 [(3)] (C) Small purchase procedures;
- 299 [(4)] (D) Conditions and procedures for the procurement of
- 300 perishables and items for resale;
- [(5)] (E) Conditions and procedures for the use of source selection
- 302 methods authorized by statutes and regulations concerning
- 303 procurement;
- [(6)] (F) Conditions and procedures for the use of emergency
- 305 procurements;
- [(7)] (G) Conditions and procedures for the selection of contractors by
- processes or methods that restrict full and open competition;
- [(8)] (H) The opening or rejection of bids and offers, and waiver of
- 309 errors in bids and offers;
- [(9)] (I) Confidentiality of technical data and trade secrets submitted
- 311 by actual or prospective bidders;
- [(10)] (J) Partial, progressive and multiple awards;
- [(11)] (K) Supervision of storerooms and inventories, including
- 314 determination of appropriate stock levels and the management,
- 315 transfer, sale or other disposal of publicly-owned supplies;
- 316 [(12)] (L) Definitions and classes of contractual services and
- 317 procedures for acquiring such services;
- 318 [(13)] (M) Regulations providing for conducting cost and price
- 319 analysis;
- 320 [(14)] (N) Use of payment and performance bonds;

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321 322	[(15)] (O) Guidelines for use of cost principles in negotiations, adjustments and settlements; and
323	[(16)] (P) Identification of procurement best practices;
324 325 326 327	[(c)] (3) Adopt regulations, pursuant to chapter 54, to carry out the provisions of statutes concerning procurement, in order to facilitate consistent application of the law and require the implementation of procurement best practices;
328 329 330	[(d)] (4) Make recommendations with regard to information systems for state procurement including, but not limited to, data element and design and the State Contracting Portal;
331 332	[(e)] (5) Develop a guide to state statutes and regulations concerning procurement, for use by all [state] contracting agencies;
333 334 335 336 337 338 339	[(f)] (6) Assist [state] contracting agencies in complying with the statutes and regulations concerning procurement by providing guidance, models, advice and practical assistance to [state] contracting agency staff relating to: [(1)] (A) Buying the best service at the best price, [(2)] (B) properly selecting contractors, and [(3)] (C) drafting contracts that achieve state goals of accountability, transparency and results based outcomes and to protect taxpayers' interest;
340 341	[(g)] (7) Train and oversee the agency procurement officer of each [state] contracting agency and any contracting officers thereunder;
342 343 344	[(h)] (8) Review and certify, on or after January 1, 2009, that a [state] contracting agency's procurement processes are in compliance with statutes and regulations concerning procurement by:
345 346 347 348 349	[(1)] (A) Establishing procurement and project management education and training criteria and certification procedures for agency procurement officers and contracting officers. All agency procurement officers and contracting officers designated under this provision shall be required to maintain the certification in good standing at all times while
350	performing procurement functions;

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[(2)] (B) Approving an ethics training course, in consultation with the Office of State Ethics, including, but not limited to, state employees and quasi-public agency employees involved in procurement and for state contractors and substantial subcontractors who are pregualified pursuant to chapter 58a. Such ethics training course may be developed and provided by the Office of State Ethics or by any person, firm or corporation provided such course is approved by the State Contracting Standards Board;

[(i)] (9) Recertify each [state] contracting agency's procurement processes, triennially, and provide agencies with notice of any certification deficiency and exercise those powers authorized by section 4e-34, as amended by this act, 4e-39, as amended by this act, or 4e-40, as amended by this act, as applicable, if a determination of noncompliance is made;

[(j)] (10) Define the contract data reporting requirements to the board for [state] contracting agencies concerning information on: [(1)] (A) The number and type of [state] contracts of each [state] contracting agency currently in effect state-wide; [(2)] (B) the term and dollar value of such contracts; [(3)] (C) a list of client agencies; [(4)] (D) a description of services purchased under such contracts; [(5)] (E) contractor names; [(6)] (F) an evaluation of contractor performance, including, but not limited to records pertaining to the suspension or disqualification of contractors, and assuring such information is available on the State Contracting Portal; and [(7)] (G) a list of contracts and contractors awarded without full and open competition stating the reasons for and identifying the approving authority; and

[(k)] (11) Provide the Governor and the joint standing committee of the General Assembly having cognizance of matters relating to government administration with recommendations concerning the statutes and regulations concerning procurement.

Sec. 7. Subsections (a) to (c), inclusive, of section 4e-5 of the general statutes are repealed and the following is substituted in lieu thereof

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(*Effective July 1, 2022*):

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- (a) (1) The head of each [state] contracting agency shall appoint an agency procurement officer. Such officer shall serve as the liaison between the agency and the Chief Procurement Officer on all matters relating to the agency's procurement activity, including, but not limited to, implementation and compliance with the provisions of statutes and regulations concerning procurement and any policies or regulations adopted by the board, coordination of the training and education of agency procurement employees and any person serving on the Contracting Standards Advisory Council;
- (2) The agency procurement officer shall be responsible for (A) ensuring that any invitation to bid, request for proposals or any other solicitation for goods and service issued on or after July 1, 2022, contains a notice of the rights of prospective bidders, proposers or prospective contractors under sections 4e-36, 4e-39, as amended by this act, and 4e 40, as amended by this act, (B) assuring that contractors are properly screened prior to the award of a contract, (C) ensuring contractors are advised of their rights under sections 4e-36, 4e-39, as amended by this act, and 4e-40, as amended by this act, prior to entering into a contract on or after July 1, 2022, (D) ensuring that upon the award of such a contract that unsuccessful bidders, proposers or respondents are advised of their rights under sections 4e-36, 4e-39, as amended by this act, and 4e-40, as amended by this act, (E) evaluating contractor performance during and at the conclusion of a contract, (F) submitting written evaluations to a central data repository to be designated by the board, and (G) creating a project management plan for the agency with annual reports to the board pertaining to procurement projects within the agency.
- (b) The State Contracting Standards Board, with the advice and assistance of the Commissioner of Administrative Services, shall develop a standardized state procurement and project management education and training program. Such education and training program shall develop education, training and professional development

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opportunities for employees of [state] contracting agencies charged with procurement responsibilities. The <u>education and training</u> program shall educate such employees in general business acumen and on proper purchasing procedures as established in statutes and regulations concerning procurement with an emphasis on ethics, fairness, consistency and project management. Participation in the <u>education and training</u> program shall be required of any supervisory and nonsupervisory [state] employees in [state] contracting agencies with responsibility for buying, purchasing, renting, leasing or otherwise acquiring any supplies, service or construction, including the preparation of the description of requirements, selection and solicitation of sources, preparation and award of contracts and all phases of contract administration.

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(c) The state procurement and project management education and training program shall include, but shall not be limited to (1) training and education concerning federal, state and municipal procurement processes, including the statutes and regulations concerning procurement; (2) training and education courses developed in cooperation with the Office of State Ethics, the Freedom of Information Commission, the State Elections Enforcement Commission, the Commission on Human Rights and Opportunities, the office of the Attorney General and any other state agency the board determines is necessary in carrying out statutes and regulations concerning procurement; (3) providing technical assistance to [state] contracting agencies and municipalities for implementing statutes and regulations concerning procurement, regulations, policies and standards developed by the board; (4) training to current and prospective contractors and vendors and others seeking to do business with [the state] a contracting agency; and (5) training and education of [state] contracting agency employees in the area of best procurement practices in [state] purchasing with the goal of achieving the level of acumen necessary to achieve the objectives of statutes and regulations concerning procurement.

Sec. 8. Section 4e-6 of the general statutes is repealed and the

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450 following is substituted in lieu thereof (*Effective July 1, 2022*):

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- (a) The board shall conduct audits of [state] contracting agencies, triennially, to ensure compliance with statutes and regulations concerning procurement. In conducting each such audit, the board shall have access to all contracting and procurement records, may interview any and all personnel responsible for contracting, contract negotiations or procurement and may enter into an agreement with the Auditors of Public Accounts to effectuate such audit.
- 458 (b) Upon completion of any such audit, the board shall prepare and 459 issue a compliance report for the [state] contracting agency. Such report 460 shall identify any process or procedure that is inconsistent with statutes 461 and regulations concerning procurement and indicate those corrective 462 measures the board deems necessary to comply with statutes and 463 regulations concerning procurement requirements. Such report shall be 464 issued and delivered to the [state] contracting agency not later than 465 thirty days after completion of such audit and shall be a public record. 466 The [state] contracting agency may provide a written response to the 467 board concerning such report not later than sixty days after receipt of 468 such report and any such response shall be a public record. After 469 receiving such response or after such sixty-day period has elapsed with 470 no response, whichever is earlier, the board may submit such report and 471 the response, if applicable, in accordance with the provisions of section 472 11-4a, to the joint standing committees of the General Assembly having 473 cognizance of matters relating to the [state] contracting agency that is 474 the subject of such report, appropriations and the budgets of state 475 agencies and government administration.
- Sec. 9. Section 4e-7 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):
 - (a) For cause, the State Contracting Standards Board may review, terminate or recommend to a [state] contracting agency the termination of any contract or procurement agreement undertaken by any [state] contracting agency after providing fifteen days' notice to the [state]

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contracting agency and the applicable contractor, and consulting with the Attorney General. Such termination of a contract or procurement agreement by the board may occur only after (1) the board has consulted with the contracting agency to determine the impact of an immediate termination of the contract, (2) a determination has been made jointly by the board and the contracting agency that an immediate termination of the contract will not create imminent peril to the public health, safety or welfare, (3) a vote of two-thirds of the members of the board present and voting for that purpose, and (4) the board has provided the [state] contracting agency and the contractor with opportunity for a hearing conducted pursuant to the provisions of chapter 54. Such action shall be accompanied by notice to the [state] contracting agency and any other affected party. For the purpose of this section, "for cause" means: (A) A violation of section 1-84 or 1-86e, as determined by the Citizen's Ethics Advisory Board; (B) wanton or reckless disregard of any state or quasipublic contracting and procurement process by any person substantially involved in such contract or [state] contracting agency; or (C) notification from the Attorney General to the [state] contracting agency that an investigation pursuant to section 4-61dd has concluded that the process by which such contract was awarded was compromised by fraud, collusion or any other criminal violation. Nothing in this section shall be construed to limit the authority of the board as described in section 4e-6, as amended by this act.

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(b) Following consultation with the [state] contracting agency and upon providing fifteen days' notice and the opportunity for a hearing, the State Contracting Standards Board may restrict or terminate the authority of any [state] contracting agency to enter into any contract or procurement agreement if: (1) The board, upon a vote of two-thirds of the members of the board present and voting for such purpose, determines that such [state] contracting agency failed to comply with statutory contracting and procurement requirements and evidenced a reckless disregard for applicable procedures and policy; and (2) such limitation, restriction or termination of authority is in the state's best interest, provided the board has made arrangements for the exercise of

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the contracting power of such agency during the period of limitation, restriction or termination. Such limitation, restriction or termination of authority shall remain in effect until such time as the board determines that such [state] contracting agency has implemented corrective measures and demonstrated compliance with statutes and regulations concerning procurement.

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(c) Following consultation with the [state] contracting agency, and thereafter upon providing fifteen days' notice and the opportunity for a hearing, the State Contracting Standards Board may order a [state] contracting agency to take appropriate action to restrict or terminate the authority of an employee or agent to enter into any contract or procurement agreement if the board, upon a vote of two-thirds of the members of the board present and voting for such purpose, determines that such employee or agent failed to comply with statutory contracting and procurement requirements, and evidenced a reckless disregard for applicable procedures and policy. Such limitation, restriction or termination of authority shall remain in effect until such time as the board determines that such [state] contracting agency has implemented corrective measures and demonstrated compliance with statutes and regulations concerning procurement.

Sec. 10. Section 4e-8 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

There is established a Contracting Standards Advisory Council, which shall consist of representatives from the Office of Policy and Management, Departments of Administrative Services and Transportation, [and] representatives of at least three additional contracting agencies, including at least one human services related state agency, to be designated by the Governor and at least four additional contracting agencies that are quasi-public agencies, two of which are appointed by the speaker of the House of Representatives and two of which are appointed by the president pro tempore of the Senate. The Chief Procurement Officer shall be a member of the council and serve as chairperson. The advisory council shall meet at least four times per year

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- 549 to discuss [state] procurement issues and to make recommendations for
- improvement of the procurement processes to the State Contracting
- 551 Standards Board. The advisory council may conduct studies, research
- and analyses and make reports and recommendations with respect to
- 553 subjects or matters within the jurisdiction of the State Contracting
- 554 Standards Board.
- Sec. 11. Section 4e-10 of the general statutes is repealed and the
- following is substituted in lieu thereof (*Effective July 1, 2022*):
- 557 (a) On or before July 1, 2010, the board shall submit to the Governor
- and the General Assembly such legislation as is necessary to permit
- [state] contracting agencies, not including [quasi-publics] quasi-public
- agencies, institutions of higher education, and municipal procurement
- 561 processes utilizing state funds, to carry out their functions under
- statutes and regulations concerning procurement.
- (b) On or before July 1, 2011, the board shall submit to the Governor
- and the General Assembly such legislation as is necessary to apply the
- 565 provisions of statutes concerning procurement to constituent units of
- 566 the state system of higher education. Concomitantly, the board shall
- 567 submit such additional legislation as is necessary to apply the
- 568 provisions of statutes and regulations concerning privatization and
- 569 procurement to quasi-public agencies.
- 570 (c) On or before July 1, 2012, the board shall submit to the Governor
- and the General Assembly such legislation as is necessary to apply the
- 572 provisions of statutes and regulations concerning procurement to the
- 573 municipal procurement processes utilizing state funds.
- Sec. 12. Section 4e-14 of the general statutes is repealed and the
- following is substituted in lieu thereof (*Effective July 1, 2022*):
- 576 On and after June 1, 2010, all [state] contracts of each [state]
- 577 contracting agency of the state, as defined in section 4e-35, as amended
- 578 by this act, that take effect on or after June 1, 2010, shall contain
- 579 provisions to ensure accountability, transparency and results based

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outcomes, as prescribed by the State Contracting Standards Board <u>and</u> on or after July 1, 2022, all contracts of each contracting agency that is a <u>quasi-public agency that take effect on or after July 1, 2022, shall contain</u> <u>such provisions</u>. On and after June 1, 2010, all [state] contracts of the legislative branch and the judicial branch that take effect on or after June 1, 2010, shall contain provisions to ensure accountability, transparency and results based outcomes.

- Sec. 13. Section 4e-16 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):
- (a) Prior to entering into any privatization contract for the privatization of a state service that is not currently privatized, the [state] contracting agency shall develop a cost-benefit analysis in accordance with the provisions of subsection (b) of this section. Such requirement shall not apply to a privatization contract for a service currently provided, in whole or in part, by a non-state entity. Any affected party may petition the State Contracting Standards Board for review of such privatization contract, in accordance with the provisions of subsections (f) to (h), inclusive, of this section.
- (b) The cost-benefit analysis conducted by a [state] contracting agency prior to entering into a privatization contract shall document the direct and indirect costs, savings, and qualitative and quantitative benefits, that will result from the implementation of such privatization contract. Such cost-benefit analysis shall specify the schedule that, at a minimum, shall be adhered to in order to achieve any estimated savings. Any cost factor shall be clearly identified in such cost-benefit analysis and supported by all applicable records and reports. The department head of such [state] contracting agency shall certify that, based on the data and information, all projected costs, savings and benefits are valid and achievable. As used in this subsection, (1) "costs" means all reasonable, relevant and verifiable expenses, including salary, materials, supplies, services, equipment, capital depreciation, rent, maintenance, repairs, utilities, insurance, travel, overhead, interim and final payments and the normal cost of fringe benefits, as calculated by

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the Comptroller; (2) "normal cost of fringe benefits" means the amount of contributions required to fund the fringe benefits allocated to the current year of service; and (3) "savings" means the difference between the current annual direct and indirect costs of providing such service and the projected, annual direct and indirect costs of contracting to provide such services in any succeeding state fiscal year during the term of such proposed privatization contract.

- (c) (1) If such cost-benefit analysis identifies a cost savings to the state or the quasi-public agency of ten per cent or more, and such privatization contract will not diminish the quality of such service, the [state] contracting agency shall develop a business case, in accordance with the provisions of subsection (d) of this section, in order to evaluate the feasibility of entering into any such contract and to identify the potential results, effectiveness and efficiency of such contract.
- (2) If such cost-benefit analysis identifies a cost savings of less than ten per cent to the state <u>or the quasi-public agency</u> and such privatization contract will not diminish the quality of such service, the [state] contracting agency may develop a business case, in accordance with the provisions of subsection (d) of this section, in order to evaluate the feasibility of entering into any such contract and to identify the potential results, effectiveness and efficiency of such contract, provided there is a significant public policy reason to enter into such privatization contract. Any such business case shall be approved in accordance with the provisions of subdivision (4) of subsection (h) of this section.
- (3) If any such proposed privatization contract would result in the layoff, transfer or reassignment of one hundred or more [state] contracting agency employees, after consulting with the potentially affected bargaining units, if any, the [state] contracting agency shall notify the state employees or quasi-public agency employees of such bargaining unit, as applicable, after such cost-benefit analysis is completed. Such [state] contracting agency shall provide an opportunity for [said] such employees to reduce the costs of conducting the operations to be privatized and provide reasonable resources for the

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purpose of encouraging and assisting such [state] employees to organize and submit a bid to provide the services that are the subject of the potential privatization contract. The [state] contracting agency shall retain sole discretion in determining whether to proceed with the privatization contract, provided the business case for such contract is approved by the board.

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(d) Any business case developed by a [state] contracting agency for the purpose of complying with subsection (c) of this section shall include: (1) The cost-benefit analysis as described in subsection (b) of this section, (2) a detailed description of the service or activity that is the subject of such business case, (3) a description and analysis of [the state] such contracting agency's current performance of such service or activity, (4) the goals to be achieved through the proposed privatization contract and the rationale for such goals, (5) a description of available options for achieving such goals, (6) an analysis of the advantages and disadvantages of each option, including, at a minimum, potential performance improvements and risks attendant to termination of the contract or rescission of such contract, (7) an analysis of the potential impact of the proposed privatization contract on workers of color and workers who are women, including whether such privatization contract will lessen or increase historical patterns that produce inequities between such workers and other workers, (8) a description of the current market for the services or activities that are the subject of such business case, [(8)] (9) an analysis of the quality of services as gauged by standardized measures and key performance requirements including compensation, turnover, and staffing ratios, [(9)] (10) a description of the specific results-based performance standards that shall, at a minimum be met, to ensure adequate performance by any party performing such service or activity, [(10)] (11) the projected time frame for key events from the beginning of the procurement process through the expiration of a contract, if applicable, [(11)] (12) a specific and feasible contingency plan that addresses contractor nonperformance and a description of the tasks involved in and costs required for implementation of such plan, and [(12)] (13) a transition plan, if

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appropriate, for addressing changes in the number of agency personnel, affected business processes, employee transition issues, communications with affected stakeholders, such as agency clients and members of the public, if applicable. Such transition plan shall contain a reemployment and retraining assistance plan for employees who are not retained by the state or a quasi-public agency or employed by the contractor. If the primary purpose of the proposed privatization contract is to provide a core governmental function, such business case shall also include information sufficient to rebut the presumption that such core governmental function should not be privatized. Such presumption shall not be construed to prohibit a [state] contracting agency from contracting for specialized technical expertise not available within such contracting agency, provided such contracting agency shall retain responsibility for such core governmental function. For the purposes of this section, "core governmental function" means a function for which the primary purpose is (A) the inspection for adherence to health and safety standards because public health or safety may be jeopardized if such inspection is not done or is not done in a timely or proper manner, (B) the establishment of statutory, regulatory or contractual standards to which a regulated person, entity or [state] contractor shall be held, (C) the enforcement of statutory, regulatory or contractual requirements governing public health or safety, [or] (D) criminal or civil law enforcement, or (E) the provision of essential human services to residents of the state who would otherwise lack the support necessary to assure basic human needs. If any part of such business case is based upon evidence that the [state] contracting agency is not sufficiently staffed to provide the core governmental function required by the privatization contract, the [state] contracting agency shall also include within such business case a plan for remediation of the understaffing to allow such services to be provided directly by the [state] contracting agency in the future.

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(e) Upon the completion of such business case, the [state] contracting agency shall submit the business case to the State Contracting Standards Board. For any privatization contract with a projected cost that exceeds

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one hundred fifty million dollars annually or six hundred million dollars over the life of such contract, the [state] contracting agency shall also submit such business case to the Governor, the president pro tempore of the Senate, the speaker of the House of Representatives, and any collective bargaining unit affected by the proposed privatization contract.

- (f) (1) There shall be a privatization contract committee of the State Contracting Standards Board that shall review, evaluate, issue advisory reports and make recommendations on business cases submitted to the board by any [state] contracting agency. Such privatization contract committee shall consist of five members of the State Contracting Standards Board. Such members shall be appointed by the chairperson of the board and consist of both gubernatorial and legislative appointments, have not more than three members from any one political party, and at least one member of such committee shall have expertise in the area that is the subject of such proposed contract. The chairperson of the board, or the chairperson's designee, shall serve as the chair of the privatization contract committee.
- (2) Upon receipt of any such business case from a [state] contracting agency, the State Contracting Standards Board shall immediately refer such business case to such privatization contract committee. The privatization contract committee shall employ a standard process for reviewing, evaluating and approving any such business cases. Such process shall include due consideration of: (A) The cost-benefit analysis developed by the [state] contracting agency, (B) the business case developed by the [state] contracting agency, including any facts, documents or other materials that are relevant to such business case, (C) any adverse effect that such privatization contract may have on minority, small and women-owned businesses that do, or are attempting to do_z business with the state, and (D) the value of having services performed in the state and within the United States.
- (3) The privatization committee shall evaluate the business case and submit the committee's evaluation to the State Contracting Standards

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Board for review and approval. During the review or consideration of any such business case, no member of the board shall engage in any exparte communication with any lobbyist, contractor or union representative. Unless otherwise provided in this section, a majority vote of the board shall be required to approve any such business case.

- (4) The business case for a privatization contract to provide a core governmental function may be approved by a two-thirds vote of the board, provided the [state] contracting agency has provided sufficient evidence to rebut the presumption contained in subsection (d) of this section and there is a significant policy reason to approve such business case. In no such case shall the insufficient staffing of a [state] contracting agency constitute a significant policy reason to approve a business case for a privatization contract to provide a core governmental function.
- (g) Each [state] contracting agency that submits a business case to the board for review shall submit to the board all information, documents or other material required by the privatization contract committee to complete its review and evaluation of such business case.
- (h) (1) Not later than sixty days after receipt of any business case, the State Contracting Standards Board shall transmit a report detailing its review, evaluation and disposition regarding such business case to the [state] contracting agency that submitted such business case and, in the case of a privatization contract with a projected cost of one hundred fifty million dollars or more annually, or six hundred million dollars or more over the life of the contract, concomitantly transmit such report to the Governor, the president pro tempore of the Senate, the speaker of the House of Representatives and any collective bargaining unit affected by the proposed privatization contract. Such sixty-day period may be extended for an additional thirty days upon a majority vote of the board or the privatization contract committee and for good cause shown.
- (2) The board's report shall include the business case prepared by the [state] contracting agency, the evaluation of the business case prepared by the privatization contract committee, the reasons for approval or

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disapproval, any recommendations of the board and sufficient information to assist the [state] contracting agency in determining if additional steps are necessary to move forward with a privatization contract.

- (3) If the State Contracting Standards Board does not act on a business case submitted by a [state] contracting agency within sixty days of receipt of such business case, such business case shall be deemed approved, except that no business case may be approved for failure of the board to meet.
- (4) In the case of a business case developed pursuant to subdivision (2) of subsection (c) of this section, a two-thirds vote of the board shall be required for approval of such privatization contract.
 - (5) Any [state] contracting agency may request an expedited review of a business case submitted to the board if there is a compelling public interest for such expedited review. If the board approves the agency's request for such an expedited review, such review shall be completed not later than thirty days after receipt of such request. If the board fails to complete an expedited review within thirty days of receipt of a request that was approved by the board, such business case shall be deemed to be approved.
 - (i) A [state] contracting agency may publish notice soliciting bids for a privatization contract only after the board approves such business case, provided any privatization contract that is estimated to cost in excess of one hundred fifty million dollars annually or six hundred million dollars or more over the life of the contract shall also be approved by the General Assembly prior to the [state] contracting agency soliciting bids for such contract. The General Assembly may approve any such contract as a whole by a majority vote of each house or may reject such agreement as a whole by a majority vote of either house. If the General Assembly is in session, it shall vote to approve or reject such contract not later than thirty days after such [state] contracting agency files such contract with the General Assembly. If the

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General Assembly is not in session when such contract is filed, it shall be submitted to the General Assembly not later than ten days after the first day of the next regular session or special session called for such purpose. The contract shall be deemed approved if the General Assembly fails to vote to approve or reject such contract within thirty days after such filing. Such thirty-day period shall not begin or expire unless the General Assembly is in regular session. For the purpose of this subsection, any contract filed with the clerks within thirty days before the commencement of a regular session of the General Assembly shall be deemed to be filed on the first day of such session.

- (j) Each [state] contracting agency shall submit, in writing, to the State Contracting Standards Board, any proposed amendment to a board-approved business case in order that the board may review and approve of such proposed amendment. The board may approve or disapprove of any such proposed amendment not later than thirty days after receipt of such proposed amendment by the same vote that was required for approval of the original business case. If the board fails to complete its review within thirty days of receipt of such proposed amendment, such amendment shall be deemed approved.
- (k) Not later than thirty days after a decision of the board to approve a business case, any collective bargaining agent of any employee adversely affected by such proposed privatization contract may file a motion for an order to show cause in the superior court for the judicial district of Hartford on the grounds that such contract fails to comply with the substantive or procedural requirements of this section. A ruling on any such motion may: (1) Deny the motion; (2) grant the motion if the court finds that the proposed contract would substantively violate the provisions of this section; or (3) stay the effective date of the contract until any substantive or procedural defect found by the court has been corrected.
- (l) (1) The board may review additional existing privatization contracts and shall review not less than one contracting area each year that is currently privatized. During the review of any such privatization

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contract, no member of the board shall engage in any ex-parte communication with any lobbyist, contractor or union representative. For each such privatization contract selected for review by the board, the appropriate [state] contracting agency shall develop a cost-benefit analysis in accordance with subsection (b) of this section. In addition, any affected party may petition the board for review of any existing privatization contract, in accordance with the provisions of subsections (f) to (h), inclusive, of this section.

(2) If such cost-benefit analysis identifies a ten per cent or more cost savings to the state from the use of such privatization contract and such contract does not diminish the quality of the service provided, such [state] contracting agency shall develop a business case for the renewal of such privatization contract in accordance with the provisions of subsections (d) and (e) of this section. The board shall review such contract in accordance with the provisions of subsections (f) to (h), inclusive, of this section and may approve such renewal by the applicable vote of the board, provided any such renewal that is estimated to cost in excess of one hundred fifty million dollars annually or six hundred million dollars or more over the life of the contract shall also be approved by the General Assembly prior to the [state] contracting agency renewing such contract. If such renewal is approved by the board and the General Assembly, if applicable, the provisions of subsection (j) of this section shall apply to any proposed amendment to such contract.

(3) If such cost-benefit analysis identifies a cost savings to the state of less than ten per cent, such [state] contracting agency shall prepare a plan to have such service provided by state employees, or in the case of a contracting agency that is a quasi-public agency, the employees of such quasi-public agency, and shall begin to implement such plan, provided: (A) While such plan is prepared, but prior to implementation of such plan, such [state] contracting agency may develop a business case for such privatization contract, in accordance with the provisions of subsection (d) of this section, that achieves a cost savings to the state of ten per cent or more. Any such business case shall be reviewed by the

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board in accordance with the provisions of subsections (f) to (h), inclusive, of this section, and may be approved by the applicable vote of the board; (B) such privatization contract shall not be renewed with the vendor currently providing such service unless: (i) There exists a significant public interest in renewing such contract, and (ii) such renewal is approved by a two-thirds vote of the board; (C) the [state] contracting agency may enter into a contract with a term of one year or less for the provision of such service until such [state] contracting agency implements such plan; and (D) the procedure for the transfer of funds from the General Fund, as described in section 4-94, may be utilized to allocate necessary resources for the implementation of the provisions of this subdivision.

- (4) Notwithstanding the provisions of subdivision (3) of this subsection, the renewal of a privatization contract with a nonprofit organization shall not be denied if the cost of increasing compensation to employees performing the privatized service is the sole cause for such contract not achieving a cost savings to the state of ten per cent or more.
- (m) The Office of Policy and Management, in consultation with the State Contracting Standards Board, shall: (1) Develop policies and procedures, including templates for use by [state] contracting agencies for the development of a cost-benefit analysis, as described in subsection (b) of this section, and (2) review with each [state] contracting agency the budgetary impact of any such privatization contract and the need to request budget adjustments in connection with any such privatization contract.
- (n) The State Contracting Standards Board, in consultation with the Department of Administrative Services, shall: (1) Recommend and implement standards and procedures for [state] contracting agencies to develop business cases in connection with privatization contracts, including templates for use by [state] <u>such</u> contracting agencies when submitting business cases to the board, and policies and procedures to guide [state] <u>such</u> contracting agencies to complete such business cases, and (2) develop guidelines and procedures for assisting state <u>employees</u>

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<u>or quasi-public agency</u> employees whose jobs are affected by a privatization contract.

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- 913 (o) Notwithstanding the provisions of subsections (a) and (i) of this 914 section, a [state] contracting agency may enter into a privatization 915 contract without development of a cost-benefit analysis or approval of 916 a business case by the State Contracting Standards Board if (1) the [state] 917 contracting agency finds that a privatization contract is required (A) due 918 to an imminent peril to the public health, safety or welfare, and (B) the 919 agency states, in writing, its reasons for such finding; and (2) the 920 Governor approves such finding, in writing.
- 921 (p) Prior to entering into or renewing any privatization contract that 922 is not subject to the provisions of subsection (a) of this section, the [state] 923 contracting agency shall evaluate such contract to determine if entering 924 into or renewing such contract is the most cost-effective method of 925 delivering the service, by determining the costs, as defined in subsection 926 (b) of this section, of such service. The [state] contracting agency shall 927 perform such evaluation in accordance with a template prescribed by 928 the Secretary of the Office of Policy and Management and such 929 evaluation shall be subject to verification by the secretary. The secretary 930 may waive the requirement for an evaluation of cost-effectiveness under 931 this subsection upon a finding by the secretary that exigent or emergent 932 circumstances necessitate such waiver.
 - (q) Nothing in this section shall be construed to apply to procurements that involve the expenditure of federal assistance or federal contract funds, provided federal law provides applicable procurement procedures that are inconsistent with the requirements of this section.
- 938 Sec. 14. Section 4e-17 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):
 - (a) Except as otherwise provided, the provisions of sections 4e-16 to 4e-47, inclusive, <u>as amended by this act</u>, shall apply to all contracts solicited or entered into by [state contracting agencies] a contracting

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agency that is a state agency on or after June 1, 2010, and all contracts solicited or entered into by a contracting agency that is a quasi-public agency on or after July 1, 2022.

- (b) Except as otherwise provided, the provisions of sections 4e-16 to 4e-47, inclusive, as amended by this act, shall apply to every expenditure of public funds by any [state] contracting agency, irrespective of their source, involving any state or quasi-public agency contracting and procurement processes, including, but not limited to, leasing and property transfers, purchasing or leasing of supplies, materials or equipment, consultant or consultant services, personal service agreements, purchase of service agreements or privatization contracts, as defined in section 4e-1, as amended by this act, and, relating to contracts for the construction, reconstruction, alteration, remodeling, repair or demolition of any public building, bridge or road.
 - (c) Nothing in sections 4e-16 to 4e-47, inclusive, <u>as amended by this act</u>, shall be construed to require the application of procurement statutes or regulations to a procurement that involves the expenditure of federal assistance or federal contract funds if federal law provides procurement procedures applicable to the expenditure of such funds, to the extent such federal procedures are inconsistent with state procurement statutes or regulations.
- Sec. 15. Section 4e-18 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):
- For the purpose of obtaining supplies, materials, equipment or contractual services, except infrastructure facilities, the Commissioner of Administrative Services shall establish a requisition system to be used by [state] contracting agencies that are not quasi-public agencies to initiate and authorize the procurement process. Such system shall be approved by the State Contracting Standards Board.
- 972 Sec. 16. Section 4e-19 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

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- (a) All purchases of, and contracts for, supplies, materials, equipment and contractual services by any [state] contracting agency, except purchases and contracts made pursuant to the provisions of section 4e-23, shall be awarded by one of the following methods, unless otherwise authorized by law:
- 979 (1) Competitive sealed bidding;
- 980 (2) Competitive sealed proposals;
- 981 (3) Small purchase procedure;
- 982 (4) Sole source procurement;

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- 983 (5) Emergency procurements; or
- 984 (6) Waiver of bid or proposal requirement for extraordinary 985 conditions.
- 986 (b) Not later than June 1, 2010, the State Contracting Standards Board 987 shall adopt regulations, in accordance with the provisions of chapter 54, 988 to define each of the methods listed in subsection (a) of this section, 989 establish the circumstances in which each such method shall be used by 990 [state] contracting agencies, and establish the processes and criteria by 991 which purchases and contracts shall be awarded in accordance with 992 each such method.
- 993 Sec. 17. Section 4e-21 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):
 - (a) Not later than January 1, 2010, the State Contracting Standards Board, in consultation with the Department of Administrative Services, shall adopt regulations to establish small purchase procedures for procurements that do not exceed fifty thousand dollars. Such regulations shall include a prohibition on the artificial division of a procurement in order to make use of such small procurement procedures.

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(b) The State Contracting Standards Board, in consultation with the Commissioner of Administrative Services, may determine that a [state] contracting agency has artificially divided procurement requirements so as to constitute a small purchase under this section and, upon such determination shall prohibit the [state] contracting agency from utilizing such small purchase procedures.

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- 1008 (c) The State Contracting Standards Board, in consultation with the 1009 Commissioner of Administrative Services, may waive the requirement 1010 of competitive bidding or competitive negotiation in the case of minor, 1011 nonrecurring or emergency purchases of ten thousand dollars or less in 1012 amount, upon application of the contracting agency. Any contracting 1013 agency that obtains such a waiver for such an emergency purchase shall 1014 post notice of such emergency purchase on the Internet web site of the 1015 contracting agency prior to making such emergency purchase.
 - Sec. 18. Section 4e-24 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

[Not later than June 1, 2010, the State Contracting Standards Board, in consultation with the Commissioner of Administrative Services and any other appropriate award authority, shall adopt regulations, in accordance with the provisions of chapter 54, permitting] (a) If an emergency [procurements when there exists] procurement is deemed necessary by a contracting agency due to a threat to public health, welfare or safety, the contracting agency shall give notice to the board of the need for such emergency procurement. Such emergency procurements shall be made with competition, as is practicable under the circumstances. [Said regulations shall require that] The contracting agency shall (1) include a written determination of the basis for the emergency and for the selection of the particular contractor [be included] in the contract file, [and transmitted] (2) transmit such determination to the Governor, the president pro tempore of the Senate, the majority and minority leaders of the Senate, the speaker of the House of Representatives and the majority and minority leaders of the House of Representatives, and (3) post such determination on the Internet web

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site of the contracting agency.

- 1036 (b) The State Contracting Standards Board may adopt regulations in accordance with the provisions of chapter 54 to implement the provisions of this section.
- Sec. 19. Subsection (d) of section 4b-51 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1*, 2022):
- (d) (1) Notwithstanding any provision of the general statutes, the Commissioner of Administrative Services may select consultants to be on a list established for the purpose of providing any consultant services. Such list shall be established as provided in sections 4b-56 and 4b-57, as amended by this act. [The] In the case of an emergency procurement due to a threat to public health, welfare or safety, the commissioner may enter into a contract with any consultant on such list without inviting responses from such consultants to perform a range of consultant services or to perform a range of tasks pursuant to a task letter detailing services to be performed under such contract.
 - (2) Notwithstanding any provision of the general statutes, the Commissioner of Administrative Services may (A) compile a list of architects, professional engineers and construction administrators for the limited purpose of providing consultant services for a particular program involving various projects for the construction of new buildings or renovations to existing buildings where such buildings are under the operation and control of either the Military Department or the Department of Energy and Environmental Protection, and (B) in the case of an emergency procurement due to a threat to public health, welfare or safety, enter into a contract with any architect, professional engineer or construction administrator on such list for such limited purpose without inviting responses from the persons on such list, except that the Adjutant General may perform the functions described in subparagraphs (A) and (B) of this subdivision for any such building under the operation and control of the Military Department.

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(3) As used in this subsection, "consultant" means "consultant" as defined in section 4b-55, "consultant services" means "consultant services" as defined in section 4b-55, and "program" means multiple projects involving the planning, design, construction, repair, improvement or expansion of specified buildings, facilities or site improvements, wherein the work (A) will be of a repetitive nature, (B) will share a common funding source that imposes particular requirements, or (C) would be significantly facilitated if completed by the same design professional or construction administrator.

- Sec. 20. Subsection (a) of section 4b-57 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1*, 2022):
 - (a) Whenever consultant services are required by the commissioner in fulfilling the responsibilities under section 4b-1, and in the case of each project, the commissioner shall invite responses from such firms by posting notice on the State Contracting Portal, except that in the case of an emergency procurement, the commissioner may receive consultant services under a contract entered into pursuant to subsection (d) of section 4b-51, as amended by this act. The commissioner shall prescribe, by regulations adopted in accordance with chapter 54, the advance notice required for, the manner of submission, and conditions and requirements of, such responses.
 - Sec. 21. Subsection (g) of section 4b-91 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1*, 2022):
 - (g) Notwithstanding the provisions of this chapter regarding competitive bidding procedures, in the case of an emergency procurement due to a threat to public health, welfare or safety, the commissioner may select and interview at least three responsible and qualified general contractors who are prequalified pursuant to section 4a-100 and submit the three selected contractors to the construction services award panels process described in section 4b-100a and any

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1099 regulation adopted by the commissioner. The commissioner may 1100 negotiate with the successful bidder a contract which is both fair and 1101 reasonable to the state for a community court project, the downtown 1102 Hartford higher education center project, a correctional facility project, 1103 a juvenile residential center project, or a student residential facility for 1104 the Connecticut State University System that is a priority higher 1105 education facility project. The Commissioner of Administrative 1106 Services, prior to entering any such contract or performing any work on 1107 such project, shall submit such contract to the State Properties Review 1108 Board for review and approval or disapproval by the board, pursuant 1109 to subsection (i) of this section. Any general contractor awarded a 1110 contract pursuant to this subsection shall be subject to the same 1111 requirements concerning the furnishing of bonds as a contractor 1112 awarded a contract pursuant to subsection (b) of this section.

- Sec. 22. Section 4e-25 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):
- 1115 A [state] contracting agency may request factual information 1116 reasonably available to the bidder or proposer to substantiate that the 1117 price or cost offered, or some portion of it, is reasonable.
- Sec. 23. Section 4e-27 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

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- Not later than June 1, 2010, the State Contracting Standards Board, in consultation with the Attorney General, shall adopt regulations, in accordance with the provisions of chapter 54, specifying the types of contracts that may be used by [state] contracting agencies. Such regulations shall specify that a cost-reimbursement contract may be used only when a determination is made in writing by the agency procurement officer that such contract is likely to be less costly to the state or quasi-public agency than any other type or that it is impracticable to obtain the supplies, services or construction required except under such a contract.
- 1130 Sec. 24. Section 4e-28 of the general statutes is repealed and the

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- following is substituted in lieu thereof (*Effective July 1, 2022*):
- Not later than June 1, 2010, the State Contracting Standards Board
- shall adopt regulations, in accordance with the provisions of chapter 54,
- 1134 requiring that contractors submit appropriate documentation to the
- appropriate [state] contracting agency, prior to the award of a contract,
- to confirm that the proposed contractor's accounting system will permit
- timely development of all necessary cost data in the form required by
- the specific contract type.
- 1139 Sec. 25. Section 4e-29 of the general statutes is repealed and the
- following is substituted in lieu thereof (*Effective July 1, 2022*):
- 1141 Each contract of a [state] contracting agency shall provide that [a
- state] such contracting agency may, at reasonable times, inspect the part
- of the plant or place of business of a contractor or any subcontractor
- which is related to the performance of any <u>such</u> contract awarded, or to
- be awarded by the [state] contracting agency, to ensure compliance with
- the contract.
- Sec. 26. Section 4e-30 of the 2022 supplement to the general statutes
- is repealed and the following is substituted in lieu thereof (*Effective July*
- 1149 1, 2022):
- (a) A [state] contracting agency may audit the books and records of a
- 1151 contractor or any subcontractor under any negotiated contract or
- subcontract to the extent that such books and records relate to the
- performance of such contract or subcontract. Such books and records
- shall be maintained by the contractor for a period of three years from
- 1155 the date of final payment under the prime contract and by the
- subcontractor for a period of three years from the expiration of the
- 1157 subcontract.
- (b) If a [state] contracting agency enters into an amendment to any
- 1159 negotiated contract or subcontract that extends the terms of such
- 1160 contract or subcontract, the amendment shall be deemed a new and
- separate negotiated contract for the purposes of this section. The books

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- and records of a contractor or any subcontractor related to the
- performance of such amendment shall be maintained by the contractor
- or subcontractor from the commencement of such amendment until a
- period of three years from the date of final payment under such
- amendment or the date of expiration of such amendment, whichever is
- 1167 later.
- Sec. 27. Section 4e-31 of the general statutes is repealed and the
- following is substituted in lieu thereof (*Effective July 1, 2022*):
- 1170 When, for any reason, collusion or other anticompetitive practices are
- suspected among any bidders or proposers for a [state] contract of a
- 1172 <u>contracting agency</u>, a notice of the relevant facts shall be transmitted to
- the Attorney General by any affected party, including, but not limited
- to, the [state] contracting agency, a bidder or a proposer.
- 1175 Sec. 28. Section 4e-32 of the general statutes is repealed and the
- following is substituted in lieu thereof (*Effective July 1, 2022*):
- 1177 Each [state] contracting agency shall retain and dispose of all
- 1178 procurement records in accordance with records retention guidelines
- and schedules approved by the Public Records Administrator.
- 1180 Sec. 29. Section 4e-33 of the general statutes is repealed and the
- following is substituted in lieu thereof (*Effective July 1, 2022*):
- The agency procurement officer of each [state] contracting agency
- shall maintain a record that lists all contracts awarded pursuant to
- section 4e-21, as amended by this act, and the regulations adopted under
- section 4e-23 for a minimum of five years after the date of any such
- 1186 award. Such record shall contain:
- 1187 (1) Each contractor's name;
- 1188 (2) The amount and type of each contract; and
- 1189 (3) A listing of the supplies, services or construction procured under

1190 each contract.

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Sec. 30. Section 4e-34 of the general statutes is repealed and the 1192 following is substituted in lieu thereof (*Effective July 1, 2022*):

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- (a) After reasonable notice and hearing and consultation with the relevant [state] contracting agency and the Attorney General, the State Contracting Standards Board, acting through a subcommittee of three members, appointed by the chairperson, which subcommittee shall include not less than one legislative appointee, may disqualify any contractor, bidder or proposer, for a period of not more than five years, from bidding on, applying for or participating as a contractor or subcontractor under, contracts with the state or quasi-public agencies. Such disqualification shall be upon the vote of two-thirds of the members of the subcommittee present and voting for that purpose. Such hearing shall be conducted in accordance with the provisions of chapter 54. The subcommittee shall issue a written recommendation not later than sixty days after the conclusion of such hearing, and shall state the reason for the recommended action and, if the disqualification is recommended, the period of time the contractor, bidder or proposer shall be disqualified. In determining whether to disqualify a contractor, bidder or proposer, the subcommittee shall consider the seriousness of the acts or omissions of the contractor, bidder or proposer and any mitigating factors. Such recommendation shall be submitted to the board for action and sent to the contractor by certified mail, return receipt requested. If disqualification is recommended, the contractor shall have thirty days to submit comments to the board. Upon receipt of the proposed recommendation by the subcommittee, the board shall issue a written decision either adopting, rejecting or modifying the subcommittee's recommendation. Such decision shall be issued not later than thirty days after receipt by the board of the contractor's comments, if any. The board shall send the decision to the contractor by certified mail, return receipt requested. The written decision shall be a final decision for purposes of sections 4-180 and 4-183.
- 1222 (b) Causes for such disqualification shall include the following:
- 1223 (1) Conviction of, or entry of a plea of guilty or nolo contendere or

LCO **39** of 59 1224 admission to, the commission of a criminal offense as an incident to 1225 obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;

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- 1227 (2) Conviction of, or entry of a plea of guilty or nolo contendere or 1228 admission to, the violation of any state or federal law for embezzlement, 1229 theft, forgery, bribery, falsification or destruction of records, receiving 1230 stolen property or any other offense indicating a lack of business 1231 integrity or business honesty which affects responsibility as a [state] 1232 contractor with the state or a quasi-public agency;
- 1233 (3) Conviction of, or entry of a plea of guilty or nolo contendere or 1234 admission to, a violation of any state or federal antitrust, collusion or 1235 conspiracy law arising out of the submission of bids or proposals on a 1236 public or private contract or subcontract;
- 1237 (4) Accumulation of two or more suspensions pursuant to section 4e-1238 35, as amended by this act, within a twenty-four-month period;
- 1239 (5) A wilful, negligent or reckless failure to perform in accordance 1240 with the terms of one or more contracts or subcontracts, agreements or 1241 transactions with [state] contracting agencies;
- 1242 (6) A history of failure to perform or of unsatisfactory performance 1243 on one or more public contracts, agreements or transactions with [state] 1244 contracting agencies;
- 1245 (7) A wilful violation of a statutory or regulatory provision or 1246 requirement applicable to a contract, agreement or transaction with 1247 [state] contracting agencies;
- 1248 (8) A wilful or egregious violation of the ethical standards set forth in 1249 sections 1-84, 1-86e and 1-101nn, as determined by the Citizen's Ethics 1250 Advisory Board; or
- 1251 (9) Any other cause or conduct the board determines to be so serious 1252 and compelling as to affect responsibility as a [state] contractor, 1253 including, but not limited to:

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- 1254 (A) Disqualification by another state for cause;
- 1255 (B) The fraudulent or criminal conduct of any officer, director, shareholder, partner, employee or other individual associated with a contractor, bidder or proposer of such contractor, bidder or proposer, provided such conduct occurred in connection with the individual's performance of duties for or on behalf of such contractor, bidder or proposer and such contractor, bidder or proposer knew or had reason
- to know of such conduct;
- 1262 (C) The existence of an informal or formal business relationship with 1263 a contractor who has been disqualified from bidding or proposing on 1264 [state] contracts of any [state] contracting agency.
- (c) Upon written request by the affected [state] contractor, bidder or proposer, the State Contracting Standards Board may reduce the period or extent of disqualification for a contractor, bidder or proposer if documentation supporting any of the following reasons for modification is provided to the board by the contractor, bidder or proposer:
- 1271 (1) Newly discovered material evidence;
- 1272 (2) Reversal of the conviction upon which the disqualification was 1273 based;
- 1274 (3) Bona fide change in ownership or management; or
- 1275 (4) Elimination of other causes for which the disqualification was 1276 imposed.
- Sec. 31. Section 4e-35 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):
- 1279 (a) For purposes of this section and sections 4e-37 and 4e-38, as
 1280 amended by this act, "contracting agency of the state" does not include
 1281 a quasi-public agency. After reasonable notice and a hearing, conducted
 1282 in accordance with the provisions of chapter 54, the department head of

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any [state] contracting agency of the state may suspend any contractor, bidder or proposer for a period of not more than six months from bidding on, applying for or performing work as a contractor or subcontractor under, contracts with the state. The department head shall issue a written decision not later than ninety days after the conclusion of such hearing and state in the decision the reasons for the action taken and, if the contractor, bidder or proposer is being suspended, the period of such suspension. In determining whether to suspend a contractor, bidder or proposer, the department head shall consider the seriousness of the acts or omissions of the contractor, bidder or proposer and any mitigating factors. The department head shall send such decision to the contractor and the State Contracting Standards Board by certified mail, return receipt requested. Such decision shall be a final decision for purposes of sections 4-180 and 4-183.

- (b) Causes for such suspension shall include the following:
- 1299 (1) Failure without good cause to perform in accordance with specifications or within the time limits provided in the contract;
 - (2) A record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts, provided failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for suspension;
 - (3) Any cause the complainant [state] contracting agency of the state determines to be so serious and compelling as to affect the responsibility of a state contractor, including suspension by another [state] contracting agency of the state for cause; or
- 1310 (4) A violation of the ethical standards set forth in section 1-84, 1-86e 1311 or 1-101nn, as determined by the Citizen's Ethics Advisory Board.
- 1312 (c) The State Contracting Standards Board may grant an exception 1313 permitting a suspended contractor to participate in a particular contract

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- or subcontract upon a written determination by the board that there is good cause for such exception and that such exception is in the best interest of the state.
- (d) The department head of each [state] contracting agency of the state shall conduct reviews of contractors and shall file reports pertaining to any of the reasons set forth in this section that may be the basis for disqualification.
- Sec. 32. Subsections (g) to (i), inclusive, of section 4e-37 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1*, 2022):
- (g) In the event that the appeals review subcommittee or the board determines that a procedural violation occurred, or that allegations of an unauthorized or unwarranted, noncompetitive selection process have been substantiated, the board shall direct the [state] contracting agency of the state to take corrective action not later than thirty days after the date of the subcommittee's or board's decision, as applicable.
- (h) In the event such appeal is found to be frivolous by the appeals review subcommittee or the full board, such frivolous appeal may serve as a basis for disqualification pursuant to section 4e-34, as amended by this act.
- (i) Any three members of the board may request a full board review of any contract deliberation or award process of a [state] contracting agency.
- Sec. 33. Section 4e-38 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):
- The State Contracting Standards Board shall issue a decision in writing or take other appropriate action on each appeal submitted pursuant to section 4e-37, as amended by this act. A copy of any decision shall be provided to all parties, the department head of the [state] contracting agency of the state and the Chief Procurement Officer.

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1344 Sec. 34. Section 4e-39 of the general statutes is repealed and the 1345 following is substituted in lieu thereof (*Effective July 1, 2022*): 1346 If, prior to award, it is determined by the State Contracting Standards 1347 Board that a solicitation or proposed award of a contract by a [state] 1348 contracting agency is in violation of law, then the solicitation or 1349 proposed award shall be: 1350 (1) Cancelled; or 1351 (2) Revised to comply with the law. 1352 Sec. 35. Section 4e-40 of the general statutes is repealed and the 1353 following is substituted in lieu thereof (*Effective July 1, 2022*): 1354 If, after an award, it is determined by the State Contracting Standards 1355 Board that a solicitation or award of a contract by a [state] contracting 1356 agency is in violation of law: 1357 (1) If the person awarded the contract did not act in bad faith: 1358 (A) The contract may be ratified and affirmed by the [state] 1359 contracting agency, provided it is determined by the board that doing 1360 so is in the best interests of the state; or 1361 (B) The contract may be terminated and the person awarded the 1362 contract shall be compensated for the actual expenses reasonably 1363 incurred under the contract, plus a reasonable profit, prior to the 1364 termination. 1365 (2) If the person awarded the contract acted in bad faith: 1366 (A) The contract may be declared null and void; or 1367 (B) The contract may be ratified and affirmed if such action is in the 1368 best interests of the state, as determined by the State Contracting 1369 Standards Board, in writing, without prejudice to the [state's]

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contracting agency's right to such damages as may be appropriate.

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Sec. 36. Section 4e-43 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

Not later than June 1, 2010, the State Insurance and Risk Management Board established pursuant to section 4a-19 shall adopt regulations, in accordance with the provisions of chapter 54, in consultation with the State Contracting Standards Board, that specify when a [state] contracting agency shall require proposers to provide appropriate errors and omissions insurance to cover architectural and engineering services under the project delivery methods established in regulations adopted pursuant to section 4e-41.

- Sec. 37. Section 4e-45 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):
- With respect to infrastructure facilities, not later than June 1, 2010, the State Contracting Standards Board, in consultation with the [state] contracting agencies and the Attorney General, shall adopt regulations, in accordance with the provisions of chapter 54, requiring the inclusion in [state] contracts with any [state] contracting agency of clauses providing for adjustments in prices, time of performance, remedies, termination or other contract provisions necessary to protect the interests of the state.
- Sec. 38. Section 4e-46 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1*, 2022):

Not later than June 1, 2010, the State Contracting Standards Board shall adopt regulations, in accordance with the provisions of chapter 54, concerning the procedure and circumstances under which a [state] contracting agency may allow contract modification, change order, or contract price adjustment under a construction contract with the [state] contracting agency in excess of fifty thousand dollars. Such regulations shall require that every contract modification, change order or contract price adjustment under a construction contract with [the state] a contracting agency in excess of fifty thousand dollars shall be subject to prior written certification by the fiscal officer of the [state] contracting

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agency or other agency responsible for funding the project or the contract, or other official responsible for monitoring and reporting upon the status of the costs of the total project budget or contract budget, as to the effect of the contract modification, change order, or adjustment in contract price on the total project budget or the total contract budget. Such regulations shall further provide that in the event the certification of the fiscal officer or other responsible official discloses a resulting increase in the total project budget or the total contract budget, the agency procurement officer shall not execute or make such contract modification, change order, or adjustment in contract price unless sufficient funds are available or the scope of the project or contract is adjusted so as to permit the degree of completion that is feasible within the total project budget or total contract budget as it existed prior to the contract modification, change order, or adjustment in contract price under consideration provided, with respect to the validity, as to the contractor, of any executed contract modification, change order, or adjustment in contract price which the contractor has reasonably relied upon, it shall be presumed that there has been compliance with the provisions of this section.

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Sec. 39. Section 4e-48 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

(a) For the purposes of this section, "nonresident bidder" means a business that is not a resident of the state that submits a bid in response to an invitation to bid by a [state] contracting agency, "resident bidder" means a business that submits a bid in response to an invitation to bid by a [state] contracting agency and that has paid unemployment taxes or income taxes in this state during the twelve calendar months immediately preceding submission of such bid, has a business address in the state and has affirmatively claimed such status in the bid submission, and "contract" [means "contract" as defined in section 4e-1 and "state contracting agency" means "state contracting agency", as defined] and "contracting agency" have the same meanings as provided in section 4e-1, as amended by this act.

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(b) Notwithstanding any provision of law, in the award of a contract, after the original bids have been received and an original lowest responsible qualified bid is identified, a [state] contracting agency shall add a per cent increase to the original bid of a nonresident bidder equal to the per cent, if any, of the preference given to such nonresident bidder in the state in which such nonresident bidder resides. If, after application of such per cent increase, the bidder that submits the lowest responsible qualified bid is a resident bidder, the [state] contracting agency shall award such contract to such resident bidder provided such resident bidder agrees, in writing, to meet the original lowest responsible qualified bid. Any such agreement by such resident bidder to meet the original lowest responsible qualified bid shall be made not later than seventy-two hours after such resident bidder receives notice from such [state] contracting agency that such resident bidder may be awarded such contract if such resident bidder agrees to meet the original lowest responsible qualified bid.

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(c) Not later than January 1, 2009, and each January thereafter, the State Contracting Standards Board shall publish a list of states that give preference to in-state bidders with the per cent increase applied in each state. Such list shall be made available to all [state] contracting agencies and may be relied upon by such agencies in determining the lowest responsible bidder.

Sec. 40. Section 4e-72 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July* 1, 2022):

As used in this section, "contract", ["state contracting agency"] "contracting agency", "data" and "contractor" have the same meanings as provided in section 4e-1, as amended by this act. Any contract between a [state] contracting agency and a contractor that is entered into, renewed or amended on or after October 1, 2021, or in the case of a contracting agency that is a quasi-public agency, entered into, renewed or amended on or after July 1, 2022, shall contain a provision authorizing the [state] contracting agency to access any data concerning such

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- contract that is in the possession or control of the contractor upon demand in a format prescribed by the [state] contracting agency at no
- 1471 additional cost to such agency.
- Sec. 41. Section 15-31b of the 2022 supplement to the general statutes
- is repealed and the following is substituted in lieu thereof (*Effective July*
- 1474 1, 2022):
- 1475 (a) The purposes of the Connecticut Port Authority shall be to 1476 coordinate the development of Connecticut's ports and harbors, with a focus on private and public investments, pursue federal and state funds 1477 1478 for dredging and other infrastructure improvements to increase cargo 1479 movement through the ports and maintain navigability of all ports and 1480 harbors, market the economic development of such ports and harbors, 1481 work with the Department of Economic and Community Development 1482 and other state, local and private entities to maximize the economic 1483 potential of the ports and harbors, support and enhance the overall 1484 development of the state's maritime commerce and industries, 1485 coordinate the planning and funding of capital projects promoting the 1486 development of the ports and harbors, develop strategic entrepreneurial 1487 initiatives that may be available to the state, coordinate the state's 1488 maritime policy activities, serve as the Governor's principal maritime 1489 policy advisor and undertake such other responsibilities as may be 1490 assigned to it. To accomplish the purposes of the authority, the authority 1491 shall have the duty and power to:
- (1) Have perpetual succession as a body politic and corporate and to adopt bylaws for the regulation of its affairs and the conduct of its business;
- 1495 (2) Adopt an official seal and alter the same at pleasure;
- 1496 (3) Maintain an office at such place or places as it may designate;
- (4) Sue and be sued in its own name, and plead and be impleaded;
- 1498 (5) Develop an organizational and management structure that will

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- best accomplish the goals of the authority concerning Connecticut ports and harbors;
- 1501 (6) Create a code of conduct for the board of directors of the authority 1502 consistent with part I of chapter 10;
- 1503 (7) Adopt rules for the conduct of its business, which shall not be considered regulations as defined in section 4-166;
- 1505 (8) Adopt an annual budget and plan of operations, including a 1506 requirement of board approval before the budget or plan may take 1507 effect;
- 1508 (9) Make and enter into all contracts and agreements that are necessary, desirable or incidental to the conduct of its business;
- 1510 (10) Enter into joint ventures and invest in, and participate with, any 1511 person or entity, including, without limitation, governmental or private business entities in the formation, ownership, management and 1512 1513 operation of business entities, including stock and nonstock 1514 corporations, limited liability companies and general and limited 1515 partnerships, formed to advance the purposes of the authority. The 1516 officers, employees and members of the board of directors of the 1517 authority may serve, without compensation, as directors or officers of 1518 any such business entities formed and such service shall be deemed to 1519 be within the discharge of the duties of such officers, employees or 1520 directors to the authority;
 - (11) Receive and accept, from any source, aid or contributions, including money, property, labor and other things of value;

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(12) Award grants and subsidies, make loans and provide other forms of financial assistance to any person or entity under a written policy, adopted in accordance with the provisions of section 1-121, setting forth the eligibility criteria, application process, and such other provisions as may be necessary or desirable to carry out the purposes of this section;

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(13) Charge reasonable fees for the services it performs and waive, suspend, reduce or otherwise modify such fees in accordance with written criteria established by the authority, and provided, that no change may be made in fees without at least thirty days prior notice, published in accordance with the provisions of section 1-121;

(14) Employ such assistants, agents and other employees as may be necessary or desirable to carry out its purposes. (A) The executive director and such employees shall be exempt from the classified service and, except as provided in subparagraph (B) of this subdivision, shall not be employees, as defined in subsection (b) of section 5-270. The authority shall fix appropriate compensation for such employees and establish all necessary or appropriate personnel practices and policies, including those relating to hiring, promotion, compensation, retirement and collective bargaining, which need not be in accordance with chapter 68, and the authority shall not be an employer, as defined in subsection (a) of section 5-270, and may engage consultants, attorneys and appraisers as may be necessary or desirable to carry out its purposes in accordance with sections 15-31a to 15-31i, inclusive. (B) For purposes of group welfare benefits and retirement, including, but not limited to, those provided under chapter 66 and sections 5-257 and 5-259, the officers and all other employees of the authority shall be state employees. The authority shall reimburse the appropriate state agencies for all costs incurred by such designation;

(15) Invest in, acquire, lease, purchase, own, manage, hold and dispose of real property and lease, convey or deal in or enter into agreements with respect to such property on any terms necessary or incidental to carrying out the purposes of sections 15-31a to 15-31i, inclusive, provided such transactions shall not be subject to approval, review or regulation by any state agency pursuant to title 4b or any other provision of the general statutes, except (A) the authority shall not convey fee simple ownership in any property associated with the ports or harbors under its jurisdiction and control without the approval of the State Properties Review Board and the Attorney General, and (B) as provided in [subsection (c) of this section] chapter 62; and

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- 1563 (16) Adopt any policies and procedures necessary to carry out the 1564 provisions of this section in accordance with the provisions of section 1-1565 121.
- (b) The authority shall continue as long as it has bonds or other obligations outstanding and until its existence is terminated by law, provided no such termination shall affect any outstanding contractual obligation of the authority and the state shall succeed to the obligations of the authority under any contract. Upon the termination of the existence of the authority, all its rights and properties shall pass to and be vested in the state of Connecticut.
- [(c) On and after June 23, 2021, until July 1, 2026, the authority shall be a state contracting agency for the purposes of chapter 62, except for the provisions of section 4e-16, and shall be subject to the authority of the State Contracting Standards Board established under section 4e-2.]
- Sec. 42. Subsection (e) of section 19a-32s of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1*, 2022):
- (e) For purposes of this section and section 19a-32r, the board shall not be considered a [state] contracting agency, as defined in [subdivision 1582 (28) of] section 4e-1, as amended by this act.
- Sec. 43. Subsection (c) of section 10-357b of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

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- (c) The State Education Resource Center shall be subject to (1) rules, regulations and restrictions on purchasing, procurement, personal service agreements and the disposition of assets generally applicable to Connecticut state agencies, including those contained in titles 4, 4a and 4b and [section 4e-19] <u>chapter 62</u>, and (2) audit by the Auditors of Public Accounts under chapter 12 and section 2-90.
- 1592 Sec. 44. Section 10a-196 of the general statutes is repealed and the

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1593 following is substituted in lieu thereof (*Effective July 1, 2022*):

Sections 10a-176 to 10a-195, inclusive, shall be deemed to provide a complete, additional and alternative method for the doing of the things authorized thereby, and shall be regarded as supplemental and additional to powers conferred by other laws; provided the issuance of bonds and refunding bonds under the provisions of this chapter need not comply with the requirements of any other law applicable to the issuance of bonds including, particularly, title 42a; and provided in the construction and acquisition of a project pursuant hereto the authority need not comply with the requirements of chapter 50. Except as otherwise expressly provided in this chapter, none of the powers granted to the authority under the provisions of this chapter shall be subject to the supervision or regulation or require the approval or consent of any municipality or political subdivision or any commission, board, body, bureau, official or agency thereof or of the state, except for the provisions concerning contracting agencies set forth in chapter 62.

Sec. 45. Subsection (s) of section 10a-204b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1,* 2022):

(s) The provisions of this section shall be deemed to provide a complete, additional and alternative method for the actions and the things authorized thereby and shall be regarded as supplemental and additional to powers granted by other laws; the issuance of bonds, notes or other obligations under the provisions of this section need not comply with the requirements of any law applicable to the issuance of bonds, notes or other obligations. This section, being necessary for the welfare of the state and its inhabitants, shall be liberally construed to affect its purpose. None of the powers granted to the corporation or to any subsidiary created pursuant to subdivision (5) of section 10a-204 under the provisions of this section shall be subject to the supervision or regulation or require the approval or consent of any municipality or political subdivision or any department, division, commission, board, body, bureau, official or agency thereof or of the state, and the exercise

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thereof shall not cause the corporation or any such subsidiary to be construed to be an agency within the scope of chapter 54 or a department, institution or agency of the state, except that the corporation or any such subsidiary shall comply with any provisions of chapter 62 concerning contracting agencies.

Sec. 46. Section 10a-243 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

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The provisions of this chapter shall be deemed to provide a complete, additional and alternative method for the actions of the things authorized thereby and shall be regarded as supplemental and additional to powers granted by other laws; the issuance of revenue bonds or notes and revenue refunding bonds or notes under the provisions of this chapter need not comply with the requirements of any other law applicable to the issuance of bonds or notes. This chapter, being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effect its purpose. Except as otherwise expressly provided in this chapter or the provisions concerning contracting agencies in chapter 62, none of the powers granted to the authority under the provisions of this chapter shall be subject to the supervision or regulation or require the approval or consent of any municipality or political subdivision or any department, division, commission, board, body, bureau, official or agency thereof or of the state. The authority shall not be construed to be an agency within the scope of chapter 54 or a department, institution or agency of the state.

Sec. 47. Subdivision (16) of subsection (b) of section 12-806 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

(16) To invest in, acquire, lease, purchase, own, manage, hold and dispose of real property and lease, convey or deal in or enter into agreements with respect to such property on any terms necessary or incidental to carrying out the purposes of sections 12-563a, 12-800 to 12-818, inclusive, and sections 12-853 and 12-854, provided such

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transactions shall not be subject to approval, review or regulation pursuant to title 4b or any other statute by any state agency, except that real property transactions shall be subject to review by the State Properties Review Board and contracts shall be subject to the applicable provisions of chapter 62;

Sec. 48. Section 12-815 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1*, 2022):

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(a) The corporation shall establish and adopt specific policies, rules and procedures on purchasing and contracting. Such policies, rules and procedures or amendments thereto shall be approved by a two-thirds vote of the entire board. Notwithstanding any other provision of law to the contrary, the corporation may enter into management, consulting and other agreements for the provision of goods, services and professional advisors necessary or useful in connection with the operation and management of the lottery (1) pursuant to a process of open or competitive bidding, provided (A) the corporation shall first determine the format, content and scope of any agreement for any procurement of goods or services, the conditions under which bidding will take place and the schedule and stipulations for contract award, and (B) the corporation may select the contractor deemed to have submitted the most favorable bid, considering price and other factors, when, in the judgment of the corporation, such award is in the best interests of the corporation, or (2) if the corporation, in its discretion, determines that, due to the nature of the agreement to be contracted for or procured, open or public bidding is either impracticable or not in the best interests of the corporation, by negotiation with such prospective providers as the corporation may determine. The terms and conditions of agreements and the fees or other compensation to be paid to such persons shall be determined by the corporation. The agreements entered into by the corporation in accordance with the provisions of this section shall not be subject to the approval of any state department, office or agency, except as provided in any applicable provision of chapter 62 or regulations adopted by the Department of Consumer Protection. Nothing in this section shall be deemed to restrict the discretion of the

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corporation to utilize its own staff and workforce for the performance of any of its assigned responsibilities and functions whenever, in the discretion of the corporation, it becomes necessary, convenient or desirable to do so. Copies of all agreements of the corporation shall be maintained by the corporation at its offices as public records, subject to said exemption.

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(b) [The] Except as provided in chapter 62, the corporation shall not be subject to rules, regulations or restrictions on purchasing or procurement or the disposition of assets generally applicable to Connecticut state agencies, including those contained in titles 4a and 4b and the corresponding rules and regulations. The board shall adopt rules and procedures on purchasing, procurement and the disposition of assets applicable to the corporation. The adoption of such rules or procedures shall not be subject to chapter 54. Any such rules or procedures shall be a public record, as defined in section 1-200.

Sec. 49. Section 22a-268 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

The authority shall utilize private industry, by contract, to carry out the business, design, operating, management, marketing, planning and research and development functions of the authority, unless the authority determines that it is in the public interest to adopt another course of action. The authority is hereby empowered to enter into longterm contracts with private persons for the performance of any such functions of the authority which, in the opinion of the authority, can desirably and conveniently be carried out by a private person under contract provided any such contract shall contain such terms and conditions as will enable the authority to retain overall supervision and control of the business, design, operating, management, transportation, marketing, planning and research and development functions to be carried out or to be performed by such private persons pursuant to such contract. Such contracts shall be entered into either on a competitive negotiation or competitive bidding basis, and the authority in its discretion may select the type of contract it deems most prudent to

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utilize, pursuant to the contracting procedures adopted under section 22a-268a and considering the scope of work, the management complexities associated therewith, the extent of current and future technological development requirements and the best interests of the state. Whenever a long-term contract is entered into on other than a competitive bidding basis, the criteria and procedures therefor shall conform to applicable provisions of subdivision (16) of subsection (a) and subsections (b) and (c) of section 22a-266, provided however, that any contract for a period of over five years in duration, or any contract for which the annual consideration is greater than fifty thousand dollars shall be approved by a two-thirds vote of the authority's full board of directors. The terms and conditions of such contracts shall be determined by the authority, as shall the fees or other similar compensation to be paid to such persons for such contracts. The contracts entered into by the authority shall not be subject to the approval of any other state department, office or agency, except as provided in chapter 62. However, copies of all contracts of the authority shall be maintained by the authority as public records, subject to the proprietary rights of any party to the contract. Nothing of the aforesaid shall be deemed to restrict the discretion of the authority to utilize its own staff and work force for the performance of any of its assigned responsibilities and functions whenever, in the discretion of the authority, it becomes necessary, convenient or desirable to do so. Any litigation with respect to any terms, conditions or provisions of any contract of the authority, or the performance or nonperformance of same by either party, shall be tried before a judge of the Superior Court of Connecticut.

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Sec. 50. Subdivision (14) of subsection (b) of section 31-49h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1*, 2022):

(14) Make and enter into any contract or agreement necessary or incidental to the performance of its duties and execution of its powers. [The] Except as provided in chapter 62, the contracts and agreements entered into by the authority shall not be subject to the approval of any

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other state department, office or agency, provided copies of all such contracts shall be maintained by the authority as public records, subject to the proprietary rights of any party to such contracts. No contract shall contain any provision in which any contractor derives any direct or indirect economic benefit from denying or otherwise influencing the outcome of any claim for benefits. The standard criteria for the evaluation of proposals relating to claims processing, web site development, database development, marketing and advertising, in the event the authority seeks the services of an outside contractor for such tasks, and for the evaluation of proposals relating to all other contracts in amounts equal to or exceeding two hundred fifty thousand dollars shall include, but need not be limited to: (A) Transparency, (B) cost, (C) efficiency of operations, (D) quality of work related to the contracts issued, (E) user experience, (F) accountability, and (G) a cost-benefit analysis documenting the direct and indirect costs of such contracts, including qualitative and quantitative benefits that will result from the implementation of such contracts. The establishment of additional standard criteria shall be approved by a two-thirds vote of the board after such criteria have been posted on a public Internet web site maintained by the authority for notice and comment for at least one week prior to such vote.

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Sec. 51. Subdivision (13) of subsection (c) of section 38a-1083 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

(13) Make and enter into any contract or agreement necessary or incidental to the performance of its duties and execution of its powers, including, but not limited to, an agreement with the Office of Health Strategy to use funds collected under this section for the operation of the all-payer claims database established under section 19a-755a and to receive data from such database. The contracts entered into by the exchange shall not be subject to the approval of any other state department, office or agency, provided copies of all contracts of the exchange shall be maintained by the exchange as public records, subject to the proprietary rights of any party to the contract, except (A) as

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provided in chapter 62, and (B) any agreement with the Office of Health Strategy shall be subject to approval by said office and the Office of Policy and Management and no portion of such agreement shall be considered proprietary;

Sec. 52. (*Effective July 1, 2022*) The sum of four hundred sixty-seven thousand fifty-five dollars is appropriated to the State Contracting Standards Board from the General Fund, for the fiscal year ending June 30, 2023, for purposes of hiring five employees in accordance with the provisions of section 2 of this act.

This act shall take effect as follows and shall amend the following			
sections:			
Section 1	from passage	New section	
Sec. 2	July 1, 2022	New section	
Sec. 3	July 1, 2022	4e-1	
Sec. 4	July 1, 2022	4e-2(g) and (h)	
Sec. 5	July 1, 2022	4e-3	
Sec. 6	July 1, 2022	4e-4	
Sec. 7	July 1, 2022	4e-5(a) to (c)	
Sec. 8	July 1, 2022	4e-6	
Sec. 9	July 1, 2022	4e-7	
Sec. 10	July 1, 2022	4e-8	
Sec. 11	July 1, 2022	4e-10	
Sec. 12	July 1, 2022	4e-14	
Sec. 13	July 1, 2022	4e-16	
Sec. 14	July 1, 2022	4e-17	
Sec. 15	July 1, 2022	4e-18	
Sec. 16	July 1, 2022	4e-19	
Sec. 17	July 1, 2022	4e-21	
Sec. 18	July 1, 2022	4e-24	
Sec. 19	July 1, 2022	4b-51(d)	
Sec. 20	July 1, 2022	4b-57(a)	
Sec. 21	July 1, 2022	4b-91(g)	
Sec. 22	July 1, 2022	4e-25	
Sec. 23	July 1, 2022	4e-27	
Sec. 24	July 1, 2022	4e-28	
Sec. 25	July 1, 2022	4e-29	

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Sec. 26	July 1, 2022	4e-30
Sec. 27	July 1, 2022	4e-31
Sec. 28	July 1, 2022	4e-32
Sec. 29	July 1, 2022	4e-33
Sec. 30	July 1, 2022	4e-34
Sec. 31	July 1, 2022	4e-35
Sec. 32	July 1, 2022	4e-37(g) to (i)
Sec. 33	July 1, 2022	4e-38
Sec. 34	July 1, 2022	4e-39
Sec. 35	July 1, 2022	4e-40
Sec. 36	July 1, 2022	4e-43
Sec. 37	July 1, 2022	4e-45
Sec. 38	July 1, 2022	4e-46
Sec. 39	July 1, 2022	4e-48
Sec. 40	July 1, 2022	4e-72
Sec. 41	July 1, 2022	15-31b
Sec. 42	July 1, 2022	19a-32s(e)
Sec. 43	July 1, 2022	10-357b(c)
Sec. 44	July 1, 2022	10a-196
Sec. 45	July 1, 2022	10a-204b(s)
Sec. 46	July 1, 2022	10a-243
Sec. 47	July 1, 2022	12-806(b)(16)
Sec. 48	July 1, 2022	12-815
Sec. 49	July 1, 2022	22a-268
Sec. 50	July 1, 2022	31-49h(b)(14)
Sec. 51	July 1, 2022	38a-1083(c)(13)
Sec. 52	July 1, 2022	New section

Statement of Legislative Commissioners:

In Section 3(12), "state or a <u>quasi-public agency</u>" was changed to "<u>contracting agency</u>" for consistency, in Section 3(28), "State contracting agency" was changed to "<u>Contracting agency</u>" for consistency, Section 6 was reorganized for consistency with standard drafting conventions, in Section 12, "state" was bracketed before "contracts" for consistency and a reference to a definition was added for clarity and consistency and Section 14(a) was rewritten for consistency with standard drafting conventions.

GAE Joint Favorable Subst.

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